

DOCUMENT RESUME

ED 083 681

EA 005 518

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TITLE Program Budgeting: A Proposed Outline of Plans and Procedures.
INSTITUTION Worcester Public Schools, Mass.
PUB DATE Sep 72
NOTE 38p.
EDRS PRICE MF-\$0.65 HC-\$3.29
DESCRIPTORS *Program Budgeting; *Program Planning; *Public School Systems
IDENTIFIERS Massachusetts; Worcester

ABSTRACT

A program budget is an alternative to the traditional line-item budget. Such a budget would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes. This report outlines a structure for such a Program Budget System (PBS) in the Worcester, Massachusetts, Public Schools. The outline describes the program budget structure, identifies the individual programs, discusses development of the program coding system, and provides designs for budget reporting forms. (Page 34 may reproduce poorly.)
(JF)

ED 083681

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PROGRAM BUDGETING

A proposed outline of
plans and procedures

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WORCESTER PUBLIC SCHOOLS

September 1972

EA 005 518

PROGRAM BUDGETING

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1. Purpose

The immediate purpose of this report is to outline a structure for a proposed "Program Budget System (PBS)" for the Worcester Public Schools.

This "program budget" would interpret the expenditures of the school system in terms of the programs the school system provides rather than in terms of the resources it utilizes.

The "program budget" would be an alternative to the traditional "line-item budget."

On a longer-range planning basis, PBS may be considered as one phase of a total "Planning - Programming - Budgeting - Evaluating System (PPBES)."

Briefly, the major phases of PPBES are:

- (1) Planning - the setting of immediate and long-range goals and objectives
- (2) Programming - the selecting from alternatives, methods of achieving these goals and objectives
- (3) Budgeting - the financial interpreting of the programs sponsored
- (4) Evaluating - the assessing of the attainment of objectives and the worth of programs

While some school systems begin with phase "1," many find it more practical to begin with phase "3."

This outline will concern itself with step "3" and will involve the following:

- (1) description of the program budget structure
- (2) identification of individual programs
- (3) development of the program coding system
- (4) design of budget reporting forms

2. Guidelines

The following guidelines or requirements for the development of a Program Budgeting System are recognized:

- (1) The system should be consistent with the requirements of PPBES, if this is to be implemented in the future.

- (2) The design should take into account the current requirements for financial accounting of:
 - (a) the school system
 - (b) the City of Worcester
 - (c) the Commonwealth of Massachusetts
 - (d) the U.S. Office of Education as set forth in
Financial Accounting for Local and State
School Systems, Handbook II

- (3) The processing of data would be accomplished by computer.

- (4) The system should be expandable to allow for the addition or revision of programs.

- (5) The system should be flexible to allow any future modifications,
for example, (1) a goal-oriented structuring of programs
(2) the allocation of the costs of all support
and service programs to instructional programs
- (6) A good program-expenditure-reporting-system is needed for purposes
of analysis and for budget planning.
- (7) Revisions will become necessary as the implementation progresses.

3. Program Structure, Identification, and Coding

A program may be defined very simply as "a set of activities contributing to a common objective."

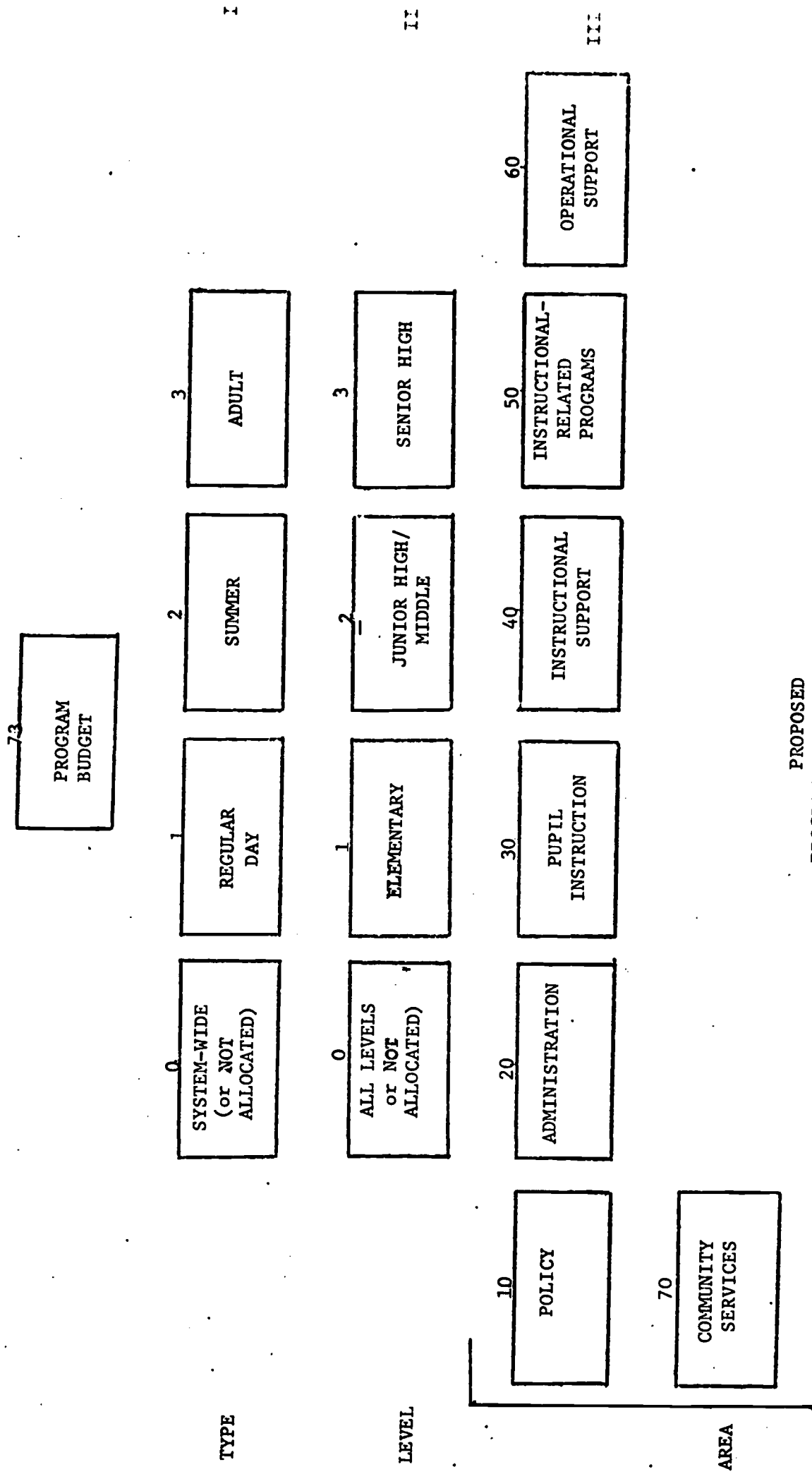
Actually, a program may be as broad or as narrow a set of activities as you may wish to define, and for which you would like to have a specific budget. The program budget as a concept must be adapted to the individual school system. Usually its detail is a function of the size of the school system.

For Worcester's immediate purposes, it is proposed that a program consist of one specific subject-matter area at one level of the school system. For example, "home economics at the junior-high level."

Special situations also would be identified, such as the "elementary swimming-program."

The various levels and classifications of programs, as recommended, are shown in Figure 1A, page 7.

The coding system for data processing purposes is also illustrated. Each program is identified by a unique 6-digit code number.



PROPOSED
PROGRAM BUDGET STRUCTURE

FIGURE 1 A

Programs are defined first (Level I) by "type":

<u>Code</u> <u>(1st digit)</u>	<u>Type</u>
0- - - -	System-wide (or not allocated)
1- - - -	Regular day
2- - - -	Summer
3- - - -	Adult

Next, by grade "level" (Level II):

<u>Code</u> <u>(2nd digit)</u>	<u>Level</u>
-0- - - -	All levels (or not allocated)
-1- - - -	Elementary
-2- - - -	Junior High/Middle
-3- - - -	Senior High

The next level (Level III) has several "areas," each representing a separate function within the school system. It should be noted at this point that programs will cross organizational lines.

<u>Code</u> <u>(3rd digit)</u>	<u>Area</u>
-- 1 --	Policy
-- 2 --	Administration
-- 3 --	Pupil Instruction
-- 4 --	Instructional Support
-- 5 --	Instructional- Related Programs
-- 6 --	Operational Support
-- 7 --	Community Services

Each one of the above "areas" is permitted a further classification into organizational "blocks" in the next level (Level IV). See Figure 1B, page 14.

Code
(3rd and 4th)
digits

Area and Block

__10__

Policy: General

__11__

School Committee

__12__

__13__

__14__

__20__

Administration: General

__21__

Superintendent's Office

__22__

__23__

__24__

__25__

__26__

__27__

__28__

__29__

__30__

Pupil Instruction: General

__31__

Graded (K, 1,2----8)

__32__

Academic (English, Languages,---)

__33__

Special-Area (Art, Music,___)

__34__

Vocational-Occupational

__35__

Special-Education

__36__

Selected-Schools/Programs
(Community Schools, Adjunct, Dynamy,---)

__37__

__38__

__39__

Other-Programs (Study Hall, Duty,
Conference,-----)

Instructional Support:

40	General
41	Library
42	Audio-Visual
43	Pupil Services
44	Staff Development
45	Program Development

Instructional
Related Programs:

50	General
51	Athletics
52	Pupil Activities
53	Special Events (Art Festival, Project Fair---)
54	

Operational Support:

60	General
61	Business
62	Data Processing
63	Plant
64	Transportation
65	Food
66	

Community Services:

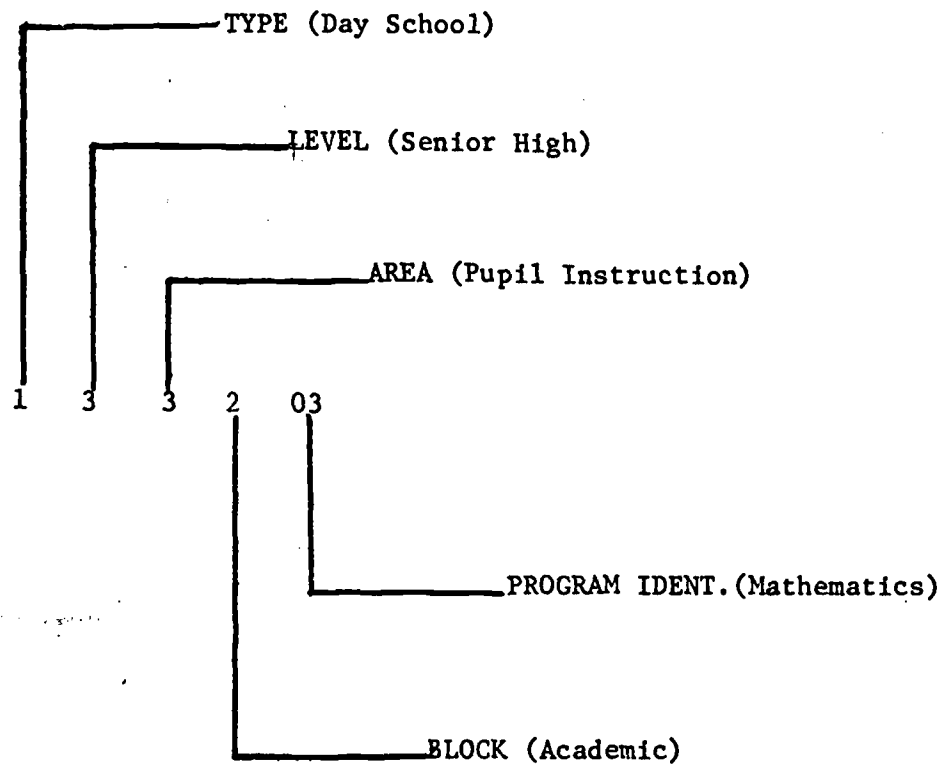
70	General
71	Recreation
72	Civic
73	Non-Public-Schools
74	

Within "type," "level," and "block," each program is further identifiable (Level V) by the addition of the fifth and sixth digits.

Code

----- 03

For example, the "Senior-High Mathematics Program": would be identified by:



While the structure (Level V) permits the identification of many programs, only the most illustrative are listed in Figure 1B. All programs will be listed as implementation proceeds.

POLICY

10

GENERAL

001000

11

SCHOOL
COMMITTEE

001100 SCH. COMM.

IV

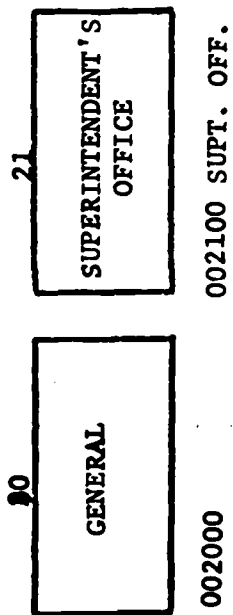
V

B L O C K P R O G R A M

FIGURE 1 B-1.

H

ADMINISTRATION



B L O C K P R O C R A M

IV
V

Figure 1B-2

PUPIL INSTRUCTION

30 GENERAL	31 GRADED	32 ACADEMIC	33 SPECIAL- AREA	34 VOCATIONAL OCCUPATIONAL	35 SPECIAL EDUCATION
<u>ELEM.</u> 113115 Gr. K 113101 1 113102 2 113103 3 113104 4 113105 5 113106 6 113107 7 113108 8	<u>ELEM.</u> 113201 English 113202 Languages 113203 Math. 113204 Science 113205 Soc. St.	<u>ELEM.</u> 113301 Art 113302 Music 113303 Phy. Ed. 113304 Swimming 113305 Ind. Arts 113306 Home Ec. 113307 Reading 113308 Family Living	003400	003500	
<u>J.H.</u> 123107 123108 123109	<u>J.H.</u> 123201 123202 123203 123204 123205	<u>J.H.</u> 123301 123302 123303 123304 123305 123306 123307	<u>J.H.</u> 123421 Communi- cations Skill Center		
<u>S.H.</u> 133109 133110 133111 133112 113199 K-8 Elem	<u>S.H.</u> 133201 133202 133203 133204 133205	<u>S.H.</u> 133301 133302 133303 133304 133305 133306 133307		<u>S.H.</u> 133431 Bus. Ed. 133432 Agr. 133433 Dist. Ed. 133434 Transp. 133435 Work Exp.	

FIGURE 1 B-3

PUPIL INSTRUCTION (Cont'd)

36

SELECTED
SCHOOLS AND
PROGRAMS

B L O C K P R O G R A M

003600

ELEM.

113601 Community
Schools

39

OTHER
PROGRAMS

IV

003900

ELEM.

V

113998 Other Programs
Allocatable to
Pupil Instruction

J.H.

123901 Study Hall

123902 Homeroom

123903 Cocurricular

123904 Duty Assignments

123905 Conference

123906 Unassigned

123907 Lunch

123998

S.H.

133901

133902

133903

133904

133905

133906

133907

133998

S. H.

133631 Alternative

School

133632 Dynamic

SUMMER

213641 Summer Elem.

223642 Summer J.H.

233643 Summer S.H.

233644 Adjunct Sum.

ADULT

313681 Elem.

313683 Evening High

303684 Enrichment

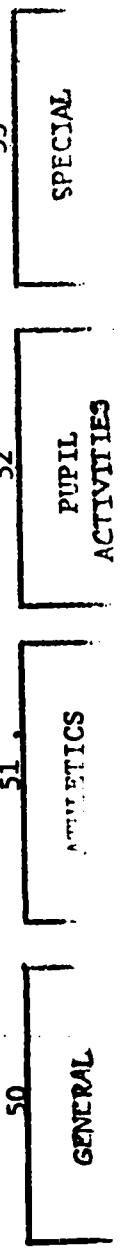
303685 Learning Ctr.

FIGURE 1B-3 (Cont'd)

	40	41	42	43	44	45	
B	GENERAL	LIBRARY	AUDIO-VISUAL	PUPIL SERVICES	STAFF DEVELOPMENT	PROGRAM DEVELOPMENT	
L							
O							
C							
K							
P	004000	004100	004200	004300	004400	004500	
R		004101 Libr. Ctr.	004201 A-V Ctr.		004401 Staff	004501 Prog.	
O					004402 Released Time	Dev. Ctr.	V
G							
R							
A							
M							

FIGURE 1B-4

INSTRUCTIONAL-RELATED PROGRAMS



005302 Project Fair

B L O C K P R O G R A M

FIGURE 1B-5

OPERATIONAL SUPPORT

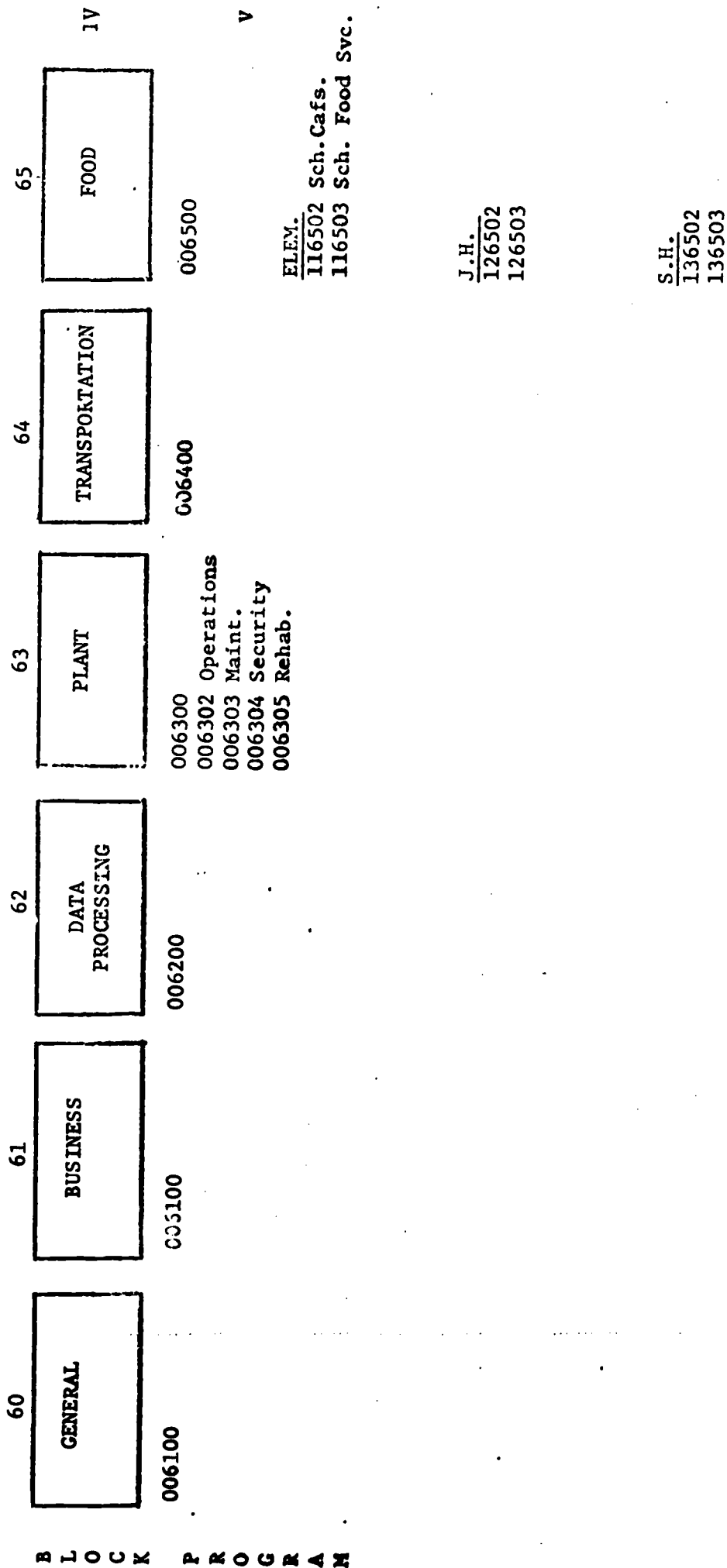


FIGURE 1B-6

COMMUNITY SERVICES

70	GENERAL	007000
71	RECREATION	007100
72	CIVIC	007200
73	NON-PUBLIC SCHOOLS	007300 007301 Transp. 007302 Health 007303 Athletics 007304 Attendance

IV

V

Related Coding and Sub-Program Identification

Two further coding requirements must be considered in order to provide (1) additional information for budget preparation and analysis and (2) identification of program elements such as specific courses, when these must be evaluated to meet a need.

"Related coding" provides 14 digits to identify the following:

<u>Code</u>	<u>Item</u>
73	Budget Year
1	Source of Funds (See Appendix 1)
016	School or Division (See Appendix 2)
50106	Account (See Appendix 3)
320	Object (See Appendix 4)

"Account" and "Object" number together with the program number provide a crossover between the line-item budget and the program budget.

"Sub-program identification" provides 3 digits to identify a specific element or course within a program. At the junior-high and senior-high levels, these numbers will be the course numbers as provided in the "Program of Studies Booklet."

Program elements may be analyzed further into "program element experiences" or units within a course, for example, "Astronomy" in the 8th-Grade Science course.

The complete coding structure for a proposed budget item or an expenditure item for Plane Geometry books at a particular high school is shown in Figure 2, page 22.

While this might seem complex, many of the digits would be pre-recorded or pre-punched in normal processing procedures. For purposes of cost analysis, assuming data processing capabilities, the potential would be of advantage.

5. Budget Forms

Forms to be used in the Program Budget would consist of the following types:

Reporting Forms

- (1) Summary
 - (a) showing total budget figures by program AREA (Policy, Administration, Pupil Instruction, etc.) and TYPE (Regular Day, Summer, etc.)
See Figure 3, page 25.
 - (b) showing total budget figures for each individual program.
See Figures 4A, 4B, and 4C, pages 26 to 28.
- (2) Program - showing an analysis for each program by personnel, books, supplies, equipment, etc. See Figure 5, page 29.
- (3) Special Report showing special data as may be appropriate.
Not illustrated.

Processing Forms

- (1) Program Element - individual course or program element forms needed to prepare a program form. See Figure 5, page 29.
- (2) Worksheets - special forms needed for salary proration analysis, etc.
Not illustrated.

Figure 3
1973
BUDGET SUMMARY
BY
PROGRAM AREA AND TYPE

<u>PROGRAM AREA</u>	<u>PROGRAM</u>		<u>TYPE</u>		<u>Total</u>
	<u>Regular Day</u>	<u>Summer</u>	<u>Adult</u>	<u>System-Wide or Not Allocated</u>	
1. <u>POLICY</u>					
2. <u>ADMINISTRATION</u>					
3. <u>PUPIL INSTRUCTION</u>					
4. <u>INSTRUCTIONAL SUPPORT</u>					
5. <u>INSTRUCTIONAL-RELATED PROGRAMS</u>					
6. <u>OPERATIONAL SUPPORT</u>					
7. <u>COMMUNITY SERVICES</u>					
<u>TOTALS</u>					

Figure 4A

1973

PROGRAM BUDGET SUMMARY

REGULAR DAY

All Levels
or Not

PROGRAM AREA	PROGRAM	Elem.	J.H.	S.H.	Allocated	Total
1. POLICY						
2. ADMINISTRATION						
3. PUPIL INSTRUCTION						
	K-8					
	English					
	Languages					
	Mathematics					
	Science					
	Social Studies					
	Art					
	Music					
	Physical Education					
	Swimming					
	Industrial Arts					
	Home Economics					
	Reading					
	Voc.-Occ. Education					
	Business Education					
	Selected Schools and Programs					
	Community Schools					
	Other Programs					
4. INSTRUCTIONAL SUPPORT						
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Placement					
	Child Study					
	Measurement					
	Attendance					
	Health					
	Staff Development					
	Released Time					
	Program Development					
5. INSTRUCTIONAL-RELATED PROGRAMS						
	Athletics					
	Pupil Activities					
	Special Events					
6. OPERATIONAL SUPPORT						
	Business					
	Data Processing					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
7. COMMUNITY SERVICES						
	Non Public Schools					
TOTALS						

Figure 4B
1973

		<u>PROGRAM BUDGET SUMMARY</u>			<u>All Levels or not Allocated Total</u>	
<u>PROGRAM AREA</u>	<u>PROGRAM</u>	<u>SUMMER Elem.</u>	<u>J.H.</u>	<u>S.H.</u>		
1.	<u>POLICY</u>					
2.	<u>ADMINISTRATION</u>					
3.	<u>PUPIL INSTRUCTION</u>					
	Summer Elem. Schools					
	Summer J.H. School					
	Summer S.H. School					
	Adjunct Summer School					
4.	<u>INSTRUCTIONAL SUPPORT</u>					
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Staff Development					
	Program Development					
5.	<u>INSTRUCTIONAL-RELATED PROGRAMS</u>					
6.	<u>OPERATIONAL SUPPORT</u>					
	Business					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
7.	<u>COMMUNITY SERVICES</u>					
<u>TOTALS</u>						

Figure 4C
1973
PROGRAM BUDGET SUMMARY

<u>PROGRAM AREA</u>	<u>PROGRAM</u>	<u>ADULT Elem.</u>	<u>J.H.</u>	<u>S.H.</u>	<u>All Levels or Not Allocated</u>	<u>Total</u>
1. POLICY						
2. ADMINISTRATION						
3. PUPIL INSTRUCTION						
	Adult Enrichment					
	Adult Learning Center					
	Elementary Schools					
	Evening High School					
4. INSTRUCTIONAL SUPPORT						
	Library					
	Audio-Visual					
	Pupil Services					
	Counseling					
	Placement					
	Staff Development					
	Program Development					
5. INSTRUCTIONAL-RELATED PROGRAMS						
6. OPERATIONAL SUPPORT						
	Business					
	Plant					
	Plant Rehabilitation					
	Transportation					
	Food					
7. COMMUNITY SERVICES						
TOTAL						

28.
29

Figure 5
BUDGET FORM FOR PROGRAM COST

<u>CODE</u>	<u>BUDGET YEAR</u>				
	<u>SOURCE OF FUNDS</u>				
	<u>SCHOOL OR DIVISION</u>				
	<u>PROGRAM TYPE</u>				
	<u>PROGRAM LEVEL</u>				
	<u>PROGRAM AREA</u>				
	<u>PROGRAM</u>				
	<u>PROGRAM ELEMENT</u>				

	<u>PERSONNEL</u>	<u>Number</u>		<u>Estimated</u>	
		<u>72</u>	<u>73</u>	<u>Cost</u>	
				<u>72</u>	<u>73</u>
<u>50001-176</u>	Administrators				
<u>50001-176</u>	Teachers				
<u>50011-</u>	Teacher Aides				
	Consultants				
<u>50011-</u>	Lab. Assistants				
	Clerks				
	Substitutes				
	Other				
	Other				
	TOTAL			=====	=====

<u>50106-320</u>	<u>BOOKS</u>				
	TOTAL			=====	=====

<u>50102-321</u>	<u>SUPPLIES</u>				
	TOTAL			=====	=====

	<u>EQUIPMENT</u>				
<u>502 -500</u>	Instructional				
<u>502 -500</u>	Non-Instructional				
	TOTAL			=====	=====

	<u>TRANSPORTATION</u>				
<u>50103-</u>	Field Trips				
	Busing				
	TOTAL			=====	=====

	<u>OTHER</u>				
	Travel of Personnel				
	Rentals				
	TOTAL			=====	=====

<u>TOTAL COST OF PROGRAM</u>					
				=====	=====

PROGRAM INFORMATION FORM**PROGRAM:****Number:****Brief Description:****Typical Pupil Schedule - Days per week :****Periods per day:****Minutes per day:****Number of Schools Sponsoring Program :****Number of Pupils in Program :****Total Budget Cost :** **Cost/Pupil:****Total Cost Last Year :** **Cost/Pupil:****Reasons for Increase or Decrease :****Additional Comments:****Form Completed By:****Position:****School or Division:****Date :**

6. Requirements for Implementation

In order to implement (1) a program-cost-reporting system and (2) a program-budget system, the following would be required:

1. data processing services adequate to handle all expenditures by program on a "daily" basis.
2. designation of a business-office program-budget "coordinator" who would (1) supervise the coding and processing of all data, (2) oversee the coordination of all business-office aspects of the process, and (3) be responsible for forms control.
3. designation of a "manager" for each program; this person would be the administrator having immediate responsibility for the program.
4. an in-service program to acquaint personnel with the system.

7. Timetable

Program Expenditure- Reporting and Budgeting

September 1972	Review and revision, of Program Budget recommendations as outlined in this report
October 1972	Approval of procedures for coding and budgeting
November 1972	Preparation of selected programs in program-budget form as recommended
1973	Implementation of procedures for coding and budgeting
July 1974	Full program budget at secondary level as outlined, assuming data processing services

8. Appendices

Appendix 1

Source-of-Funds Coding

1. City of Worcester
2. Fees
3. Grants
4. State
5. Federal
- 6.
- 7.
- 8.
9. Combination

Appendix 2

PUBLIC SCHOOLS, WORCESTER, MASSACHUSETTS.

SCHOOL CODES

012 Burncoat Senior High
030 Classical High
040 South High
050 North High *ST. L.*
060 Commerce High *No. WALNUT*
018 Doherty Memorial High

063 Burncoat Junior High
065 Chandler Junior High
067 Forest-Grove Junior High
070 Grafton St. Junior High
080 Providence St. Jr. High
075 *HARRINGTON*

100 Abbott Street
120 Adams Street
130 Andover Street
150 Belmont Street
155 Blithwood Avenue
160 Bloomingdale School
170 Burncoat Street
180 Cambridge Street
190 Canterbury Street

200 Chandler Street
205 Clark Street
210 Columbus Park
220 Dartmouth Street
230 Dix Street
240 Downing Street
250 East Kendall
260 Edgeworth Street

273

270 Elizabeth Street
275 *Flag* Street
280 Freeland Street
290 Gage Street
300 Gates Lane
310 Grafton Street
320 Granite Street
330 Greendale school
340 Harlow Street
350 Heard Street
360 Indian Hill
370 Lake View
380 Lamartine Street
400 Lee Street
410 Lincoln Street
420 Ludlow Street
430 Malvern Road
440 May Street

450 Middlesex Avenue
460 Miland Street
465 Mill-Swan
470 Millbury Street
480 Nelson Place
485 Norrback Avenue
490 Oxfoed Street
510 Quinsigamond Avenue
520 Rice Square
530 Roosevelt
540 St. Nicholas
550 Tatnuck
570 Throndyke Road
580 Union Hill
590 Upsala Street
600 Wamacus Road
610 West Boylston Street
615 West Tatnuck
620 Winslow/Sever
630 Woodland St. Prop
640 Woodland Street

870 Adjustment Counsellor
874 Agriculture
878 Americanization
882 Art Education
886 Attendance
890 Audio Visual Education
894 Cafeteria Director
898 Cerebral Palsy
902 Child Study
906 Evening High
910 Intramural Athletics *outreach*
914 Guidance Services
918 Physical Education
922 Home Instruction
926 Home Making Education
930 Industrail Arts Education
932 Librarinas
934 Music Education
938 Reading Consultants
942 Remedial Reading
946 Special Class Education
950 Speech Correction
954 Summer School
958 Testing Coordinator
964 Elementary School Supervisor
966 Secondary School Supervisor
968 Supt and Assist Supts
969 *Maintenance & Grounds*

Appendix 3

<u>Account</u>	<u>Account Name</u>
50001	Professional Salaries
50011	Special Salaries
50031	Custodian Salaries
50032	Custodian Overtime Salaries
50041	School Plant Salaries
50042	School Plant Overtime Salaries
50051	Executive Clerical Salaries
50052	Executive Clerical Overtime Salaries
50061	School Clerks Salaries
50071	Cafeteria Salaries
50072	Cafeteria Overtime Salaries
50102	Education - Ordinary Maintenance
50103	Transportation
50104	Military Service Retirement
50105	Travel Out-of-State
50106	Textbooks Supplies
50110	Agriculture Teachers Travel
50502	School Lunch Program Revenue Income
50112	Cafeteria - Ordinary Maintenance
50122	Competitive Athletics - Ord. Maintenance
50140	Leased Property
50142	School Plant - Ordinary Maintenance
50146	Fuel
50234	National Defense Education
50232	Instructional Capital Equipment
50233	Non-Instructional Capital Equipment
50755	Rehabilitation

CODE NUMBERS

101 Fees	275 Tuition
151 Personal Services	281 Telephone
176 Salaries	283 Laundry
201 Advertising	285 Chartered Buses
206 Dues	286 Travel
208 Fire Protection & Equipment	287 Meals
211 Freight & Trucking	296 Licenses
216 Insurance	315 Supplies Construction
220 Sewer Service	316 Supplies Hardware
221 Electricity	320 Library Books
222 Gas	321 Supplies, Education & Textbooks
226 Postage	322 Supplies Recreational
227 Bus Tickets	324 Supplies Plumbing
231 Printing	325 Supplies Electrical
236 Use of Automobile	326 Supplies Food
241 Rentals of Equipment	335 Flags
246 Rentals of Buildings	336 Supplies Household
250 Electrical Repair	337 Laundry
261 Repairs to Buildings	338 Supplies Cleaning
263 Maint. & Repair of Furnishings	341 Supplies Medical
264 Maint. & Repair of Equipment	346 Supplies Office
265 Maintenance of Grounds	351 Supplies Tools
268 Maint. & Repair of Vehicles	352 Supplies Parts Equipment